



# NEWS RELEASE

United States Department of Agriculture Rural Development  
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## USDA RURAL DEVELOPMENT ACCEPTING BUSINESS PROGRAM APPLICATIONS

**Lincoln, Neb, October 5, 2004**--Applications are being accepted for business programs administered by the United States Department of Agriculture (USDA) Rural Development that are designed to improve the business climate and opportunities within communities and to assist in business startup and developing sustainable business operations. Eligible applications will be selected for funding using a priority scoring system.

The Rural Business Enterprise Grant (RBEG) program supports the formation of small and emerging businesses in rural communities of less than 50,000 in population. Eligible applicants include public bodies, non-profit organizations, and federally recognized Indian tribal groups. Grant funds are not provided directly to the business instead, funds are used for support services for business development, expansion or enhancement. Applications are due by close of business January 7, 2005. Visit [www.rurdev.usda.gov/rbs/busp/rbeg.htm](http://www.rurdev.usda.gov/rbs/busp/rbeg.htm).

The Rural Business Opportunity Grant (RBOG) program promotes sustainable economic development in rural communities of less than 50,000 in population. Public bodies, nonprofit corporations, Indian tribes or qualifying cooperatives are eligible to apply. Grant dollars may pay the costs of providing economic planning for rural communities, technical assistance for rural businesses, or training for rural entrepreneurs or economic development officials. Applications are due by close of business January 7, 2005. Visit [www.rurdev.usda.gov/rbs/busp/rbog.htm](http://www.rurdev.usda.gov/rbs/busp/rbog.htm).

The Intermediary Relending Program (IRP) provides for business development in rural communities of less than 25,000 in population. Loan funds are provided to an intermediary (borrower) who utilizes a revolving loan concept to provide loan funds to ultimate recipients (businesses). As recipients repay loans, funds are relent to other qualifying eligible entities. The intermediary may be a private non-profit corporation, public agency, Indian group, or cooperative. Applications are accepted and reviewed quarterly. Upcoming application deadlines are December 31, 2004, March 31, June 30 and September 30, 2005. Visit [www.rurdev.usda.gov/rbs/busp/irp.htm](http://www.rurdev.usda.gov/rbs/busp/irp.htm).

The Rural Economic Development Loan and Grant (REDLG) program promotes rural economic development and job creation. Zero interest loans or grants are made at the discretion of the Administrator, to eligible USDA Rural Development financed electric and telephone borrowers. Loans generally provide business "gap" financing for job creation projects. Visit [www.rurdev.usda.gov/rbs/busp/redl.htm](http://www.rurdev.usda.gov/rbs/busp/redl.htm). Grant dollars must establish a revolving loan fund. Initial projects are regulated, i.e., community development projects, business incubators by non-profit groups, facilities and equipment for education or medical care, etc. Loans made with relent funds may be used for any business or community development purpose per an approved scope of work. Applications are accepted and reviewed quarterly. Upcoming application deadlines are December 31, 2004, March 31, June 30, and September 30, 2005. Visit [www.rurdev.usda.gov/rbs/busp/redg.htm](http://www.rurdev.usda.gov/rbs/busp/redg.htm).

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Business and Industry (B&I) Guaranteed Loan funds offer banks the opportunity to provide affordable capital to a growing, diverse rural business environment while reducing risk. B&I Guaranteed Loan funds also enable banks to provide higher loan amounts, lower interest rates and longer repayment terms to rural businesses in communities of less than 50,000 in population who otherwise may not qualify for conventional financing. Program features include: 80 percent guarantee on loans up to \$5 million; 70 percent on \$5-\$10 million; minimum of 10-20 percent tangible balance sheet equity; one-time flat 2 percent loan guarantee fee; no servicing fee; automated application; guarantees provided on variety of businesses with no specific size standards; guarantees provided on working capital, debt refinancing (under certain conditions) and for customary business and industry loan purposes. Visit [www.rurdev.usda.gov/rbs.htm](http://www.rurdev.usda.gov/rbs.htm).

Native American earmarked funds are available for the RBEG, RBOG, and IRP programs. The applicant need not be Native American however; the earmarked funds will be used for projects where at least 75 percent of the project benefits will be received by members of a federally recognized Native American Tribe. Justification must be provided as part of the application. Application deadlines for Fiscal Year 2005 have not yet been announced.

Applications, copies of regulations and additional information may be obtained by contacting Deborah Drbal-Lincoln-(402) 437-5558, [deborah.drbal@ne.usda.gov](mailto:deborah.drbal@ne.usda.gov); Janet Knobel-Beatrice-(402) 223-3125 ext. 4, [janet.knobel@ne.usda.gov](mailto:janet.knobel@ne.usda.gov); Karissa Hagedorn-Kearney-(402) 437-5735, [karissa.hagedorn@ne.usda.gov](mailto:karissa.hagedorn@ne.usda.gov); Timothy Brooks-Scottsbluff-(308) 632-2195 ext. 4, [timothy.brooks@ne.usda.gov](mailto:timothy.brooks@ne.usda.gov); Mary Gambill-Ainsworth-(308) 387-2242 ext. 4, [mary.gambill@ne.usda.gov](mailto:mary.gambill@ne.usda.gov); or Dan Laska-Columbus-(402) 564-0506 ext. 4, [dan.laska@ne.usda.gov](mailto:dan.laska@ne.usda.gov).

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